

## REMARKS

This application has been carefully reviewed in light of the Office Action dated August 10, 2005. Claims 1 to 20, 22 to 39, 41 to 57 and 59 are in the application, of which Claims 1, 15, 23, 34, 42 and 52 are independent. Reconsideration and reexamination are respectfully requested.

Turning first to two formal matters, Applicants' again request the Examiner to issue a revised form PTO-892 so as to list Japan 2001-325568 and its English-language counterpart (U.S. Patent Application Publication No. 2001/0041987). The Japanese publication was cited in the Office Action dated August 24, 2004 (see paragraph 40 on page 9 thereof) but is not now formally of record. This is a third request.

Regarding the second formal matter, it is respectfully requested that the Examiner give his approval for the formal drawings filed with a Letter dated May 21, 2001. This also is a third request.

Turning to the merits of the Office Action, Applicants thank the Examiner for his courtesy and thoughtful treatments afforded during a personal interview conducted in his office on November 30, 2005 with their undersigned representative. At the interview, the rejection of all claims over U.S. Patent 6,292,213 (Jones) was discussed, and the following is a statement of the substance of the interview.

At the commencement of the interview, it was explained that, in Jones, it is not the recording medium that is rented, but rather it is the micro-recorder. However, the

Examiner focused upon the word “copy” in the following sentence from line 26 of Jones’ column 3, which incidently is also repeated at line 19 of column 11:

“Ultimately, the participant gets a personal copy of what he or she recorded that day suitable for playback at home.”

According to the Examiner, because Jones used the word “copy”, he clearly implied that the participant received only a copy of the recording medium, and that the original recording medium rented with the micro-recorder must have been erased for re-use on another participant. As such, in the Examiner’s view, Jones described rental of a recording medium, since the original recording medium was re-used with a different participant.

In Applicants’ view, however, and as explained at the interview, Jones used the word “copy” as a noun and not as a verb, and further used it in a modified phrase “personal copy”. As such, and since the word “copy appeared nowhere else in Jones, the Examiner’s interpretation appeared incorrect and otherwise inconsistent with the clear explanation of Jones that the user received the recording medium on which he or she had made his recording that day, possibly edited or embellished. The Examiner disagreed, and maintained his position that Jones’ use of the word “copy” clearly implied that the original recording medium used by the participant that day was copied, with a copy being given to the participant, and with the original being erased for re-use by another participant on another day.

Applicants continue to disagree with the Examiner’s interpretation of the word “copy” in Jones, and specifically note that even if the Examiner’s interpretation is correct (which is not conceded, as indicated above), Jones nowhere discusses that the

recording medium is “erased”. For example, it is completely consistent with the Examiner’s interpretation of Jones that a second participant would receive an un-erased recording medium from the prior day’s participant. As such, even given the Examiner’s interpretation of Jones, Jones still does not disclose or suggest anything concerning erasure of a rented recording medium.

Moreover, all claim herein have been amended<sup>1/</sup> so as to specify that, with respect to erasure of a rented storage medium that has been returned, erasure is executed by the customer. Such an arrangement is particularly well-suited for embodiments where a user terminal takes the form of a kiosk or the like. Additionally, there is an attendant benefit for an erasure that is performed by the customer: since erasure is performed by the customer himself, the customer can confirm the erasure of the image since he is the one performing the erasing step.

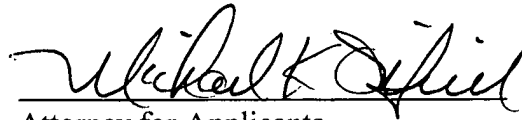
All art applied in the pending rejection of the claims (i.e., the patents to Jones, Isobe, Zander and Shiota) have been reviewed, but none is seen to disclose or to suggest rental of a removable storage medium in which upon return of the medium, digital images on the recording medium are erased and are erased by the customer. It is therefore respectfully submitted that the claims herein are fully in condition for allowance.

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<sup>1/</sup>Amendment is without prejudice or disclaimer of subject matter, and without conceding the correctness of the rejections over Jones.

Applicants' undersigned attorney may be reached in our Costa Mesa,  
California office at (714) 540-8700. All correspondence should continue to be directed to  
our below-listed address.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael K. O'Neill", is written over a horizontal line.

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